

ATTACHMENT

ITEM 6.2.2 – ECONOMIC DEVELOPMENT
UPDATE



Economic Development Strategy

Mid-Western Region

Implementation Update



Implementation Update for Q1-Q2

The purpose of this document is to provide an implementation update for activities undertaken in the last 6 months by Council towards achieving the outcomes provided in the Economic Development Strategy.

The report covers the period July 2010 (Q1) to December 2010 (Q2).

For further information about economic development activities at Mid-Western Regional Council, please contact Council's Economic Development Officer.



The focus of employment is on creating job opportunities and increasing the level of participation in employment in the region.

1. Employment

Jobs for everyone

a. Building Relationships with Lead Agencies

Regular meetings have been held with Mission Australia to discuss employment related issues for the region. Some of the main issues experienced in the last 6 months from an employment perspective include trying to increase the opportunities for local job seekers at the mines and the lack of casual work at vineyards/fruit picking because of local economic conditions. The areas that are experiencing the greatest skill shortages are aged care and hospitality. The meetings provide a useful opportunity to exchange relevant information between Council and lead agencies to assist in achieving employment outcomes for the region and for targeting new employment initiatives in the future.

b. Monitoring Employment Trends

As part of a larger project to compile relevant economic data to profile the region, the "Small Area Labour Markets Australia" publication has been identified as the most reliable and consistent source of publicly available information regarding local employment trends and conditions. This publication is produced on a quarterly basis and will be used to monitor employment data for the region on an ongoing basis and will be included in the business/investment booklet. Whilst anecdotal evidence is available to demonstrate specific industry/job trends for the local market, there is nothing consistently available for the region.

c. Job Opportunities in Mining Industry

A study has been conducted to examine the impact of the expansion of mining activities on employment prospects in the region. This is a result of the increase in the number of new mining applications both from existing and proposed new mines in the region. In the next 3-5 years, more than 3,000 new mining jobs will become available within or in close proximity to this region. The indirect employment impact could exceed 10,000 jobs. These new job opportunities will place significant demands on the local labour force (as it grows by 30% over a relatively short timeframe). Job opportunities in the mining industry will continue to be monitored.



The focus of education is on encouraging greater participation in all levels of education through access to educational services and infrastructure.

2. Education

Lifelong learning opportunities

a. Identifying Opportunities for Tertiary and Research Projects

Early in Q1, letters were sent to several regional universities in NSW to identify opportunities for tertiary and research projects. Since then, positive meetings have been held with Charles Sturt University and the National Wine and Grape Industry Centre regarding local opportunities.

At the request of these organisations, meetings with local business and industry representatives have been arranged to focus on specific local requirements and to identify pilot projects that could be undertaken in the region (such as the diversification and long term sustainability of the local agriculture and viticulture sectors). Representatives from Charles Sturt University will return in February 2011 to further discussions and engage with other local industry and business leaders.

Given the expansion of mining activities in the region, there is increased scope to explore higher education opportunities directly related to mining in this area (both to retrain the existing workforce and to provide tertiary education for school leavers so that they can live, study and work locally).

There are continued concerns with TAFE's lack of interest in fully utilising their facilities in Mudgee.

b. Participation in University Outreach Centre Working Group

This activity is subject to identifying a suitable tertiary or research project (2a above). There is continued confidence that Charles Sturt University is our best option at this stage as they are making lots of positive and proactive noises.



The focus of workforce skills is on having access to a skilled and flexible workforce with the competencies and capabilities to satisfy industry and business needs in the region.

3. Workforce Skills

A highly skilled flexible workforce

a. Attracting a Skilled Workforce

Whilst there will be significant employment opportunities generated in this region in the next 3-5 years, this will place extreme demands on the existing labour force to fill these positions. Based on evidence collected in recent months, the existing labour force will not be able to satisfy the new job opportunities at the mines, and therefore these jobs will need to be filled by new residents to the region. The challenge will be to encourage these new positions to be filled by those who are willing to permanently relocate both themselves and their families to the region as this will create the greatest economic benefits for the region.

b. Identifying Skill Shortages in Other Industries

As local people with relevant skills take up employment opportunities in the mines, there are skill shortages being experienced in other industries (such as general trades). The key focus of activities in the next 6 months will be on understanding and assessing the most critical shortages in the region. In co-operation with lead agencies (industry and business groups) the objective will be to obtain a better understanding of the types of skills that are in short supply and the areas (by industry and town) where the shortages are most prevalent. This will help in formulating possible solutions to this issue.

The focus of business development is on the attraction and retention of a diverse range of businesses that actively participate in business development initiatives.

4. Business Development

A dynamic and skilled business community

a. Business Development Workshops

In conjunction with NSW Industry & Investment and Regional Development Australia Orana, Council hosted a series of well attended workshops during Small Business September 2010 for local businesses to improve business skills and network with other business people in the community. The workshops focused on making the most of events, corporate governance and starting out in small business. The workshops were generally well attended and provided the opportunity to receive feedback that will be used to enhance the delivery of similar workshops in the future. The ability to tap into an existing government program was useful in helping to brand and promote awareness for local initiatives to support small business.

b. Monitoring Business and Economic Data

Progress is underway in terms of identifying local business and economic data which will be valuable to economic development stakeholders in the region. At this stage all sources of data are being collected, so that the most relevant data can be identified and captured to provide an update of economic and business indicators for businesses and investors in the future.

c. Working with Business Clusters

The wine business cluster has finalised its marketing activities and hosted its first group of targeted industry experts to raise the general awareness of the wine produced in the region and to achieve the more specific long term objective of increasing the percentage of Mudgee region wines on Sydney wine lists. Initial assistance involved setting the cluster up and seeking funding through NSW Industry & Investment for cluster activities. Ongoing support will be provided as appropriate to pursue business and economic benefits for the region.



The focus of business development is on the attraction and retention of a diverse range of businesses that actively participate in business development initiatives.

4. Business Development (continued)

A dynamic and skilled business community

d. Expanding Local Business

An ongoing working relationship with Aeropelican has been maintained to encourage the development of the commercial air service between Mudgee and Sydney. This has included providing contacts for Aeropelican with local business leaders and event organisers, as well as supporting marketing and promotional activities in the region. A major focus has been on the proposed flip of the service, which will lead to Aeropelican establishing its first regional base in Mudgee (including an aircraft, 5 pilots and their families permanently based in the region). The EDO has worked tirelessly with Aeropelican to achieve this very positive result for the region.

There is significant potential for local businesses to service the expanding mining industry. A trip to the mining area and a meeting with proponents of the industrial subdivision at Ulan was organised for personnel from NSW Industry & Investment to understand emerging opportunities and to provide future options for funding and assistance through government programs for those businesses looking to expand in the area. This will continue to be a focus as the mining industry expands – and continued efforts will be made to support and assist the local businesses to grow with the mining industry.

Assistance is being provided to establish an exciting new wine and food opportunity for the region over the next 3 years. In conjunction with the Mudgee Wine Grape Growers Assoc Inc, Mudgee Fine Foods Inc and Mudgee Regional Tourism Inc, combined efforts are being made to hold a Mudgee wine and food event in Pymont, Sydney in May 2011. This will create opportunities for local wine and food producers to increase brand awareness, develop new business skills, expand into new markets and sell more local produce. It also provides a great opportunity to form an ongoing relationship between Mudgee and Pymont and more widely promote the Mudgee region and all that it has to offer as a destination to live, work and visit.



The focus of business development is on the attraction and retention of a diverse range of businesses that actively participate in business development initiatives.

4. Business Development (continued)

A dynamic and skilled business community

e. Economic Development Think Tank

The first Economic Development Think Tank was held in September 2010. The goal of the Think Tank is to bring together key business and industry leaders who are actively involved in making business decisions in the region on a daily basis. The Think Tank provides a suitable forum for participants to share business insights, discuss ideas and exchange information on the business and economic issues facing their relevant businesses and industries and assist in identifying new opportunity areas. The group will meet 2-3 times per year, with the next meeting scheduled for February 2011.



The focus of investment is on providing a business and economic environment which attracts investment and promotes new investment opportunities.

5. Investment

Investment in future growth and prosperity

a. Investor Information Booklet

A key objective is to produce an economic profile for future investors in this region. The data collection process is well underway (see 4b) which will enable the production of the booklet in the next couple of months. As well as current economic data, it will include information regarding the growth prospects expected in relation to the mining industry.

b. A Step-By-Step Guide to the Planning Framework

This is a planned activity for Q3 and will be included in the investor information booklet.

c. Property Study

As part of a larger project to measure the cumulative impact of the mining industry on local infrastructure, services and facilities, demand in the property market has been examined. Evidence shows that both rental and housing prices have increased significantly in the last 12 months as new mining activities have commenced. The projected population increases associated with mining will further increase prices making affordable housing a major issue in the community. There is a need to encourage greater investment in the rental property market and to get more new houses built by property developers. Continued efforts are being made to identify the most appropriate government departments for external assistance in relation to the housing issue (eg. Planning, Housing or Industry & Investment).

The focus of infrastructure is to provide infrastructure which supports economic activity including access to existing services and lobbying for new infrastructure.

6. Infrastructure

Adequate infrastructure to support economic activity

a. Mortimer St Precinct

There is continued new and ongoing interest being received from various parties in relation to business opportunities on the Mortimer St site both from a development and leasing perspective. Continued efforts will be made to identify and assess the alternative options and liaise with relevant parties in line with a long term view to keep the site available for a large supermarket or similar development in the long term.

b. Gulgong MPS

Following the surprise announcement to close the Gulgong Hospital in August 2010, the push for an MPS has been a major priority along with providing interim emergency facilities for residents in Gulgong. Significant efforts have gone into lobbying State and Federal governments for funding towards the development of an MPS, sending letters, promoting community concerns and liaising with relevant GWAHS and NSW Health representatives. This issue is ongoing.

The focus of infrastructure is to provide infrastructure which supports economic activity including access to existing services and lobbying for new infrastructure.

6. Infrastructure (continued)

Adequate infrastructure to support economic activity

c. Planning for Population Growth

Developing a plan to address both short and long term issues associated with population growth linked with expanded mining activities is a major priority. Based on the new mining developments and expansion of existing mining projects, more than 5,000 new residents are expected to relocate to the region in the next 3-5 years. This will place significant demands on local infrastructure, services and facilities including health services, schools, hospitals, housing, water, roads etc.

Similar to the property study (see 5c) above, it has been difficult to identify an appropriate NSW Government department to assist with this process and delivery of a regional growth plan. Although NSW Planning has indicated that it will undertake a strategic study commencing in February, there has been no response to emails sent to commence the process. Some positive progress has been made through the NSW Department of Premier and Cabinet and close contact with the regional manager for this department will be maintained on a regular basis. A submission has been sent outlining the key facts and issues associated with mining expansion in the region.

This is an ongoing issue and a major focus area for Council and the community. The risk is that if adequate infrastructure is not in place to both attract permanent residents to live in the region and support business and economic activity, then the economic benefits of expanding mining industry activity will be negated, either by transferring the benefits to other regions or turning the region's towns into mining towns. Work in this area is likely to involve significant resources from existing staff.

The focus of tourism development is to provide diverse tourism offerings to attract more visitors and to develop the region as an events and conference destination.

7. Tourism Development

Attracting more visitors to the region

a. Conference Market

Seeking interest to establish a conference industry cluster is a planned activity for Q3-Q4. In the meantime, relevant contacts have been made with Events Sydney and Central West Tourism who have expressed a willingness to assist in providing support and advice regarding developing this market locally.

b. Events Action Plan

The initial focus of the events action plan was on reviewing the existing calendar of events to identify gaps and those events which provide the greatest economic benefits for the region. This information is important to be able to assess the benefits and level of support provided by Council to developing existing and new events in the region in the future.

The first formal round of the Events Assistance Program was completed in Q2. Nine events were successful in obtaining a total of \$26,500 in financial support for event management/administration assistance and/or marketing and promotional activities. The objective is to work closely with these events in seeking post-event feedback and evaluation to measure economic outcomes for the region over the next 12 months.

Another activity that is underway is the preparation of an event planner/conference guide to the region in conjunction with Mudgee Regional Tourism Inc. The guide is intended to provide relevant information for event and conference organisers hosting events in the region. It is expected to be completed in Q3.



The focus of tourism development is to provide diverse tourism offerings to attract more visitors and to develop the region as an events and conference destination.

7. Tourism Development (continued)

Attracting more visitors to the region

c. Working with Tourism, Wine and Food Organisations

Combined meetings with one representative from each of the relevant tourism, wine and food organisations (Mudgee Wine Grape Growers Association Inc, Mudgee Fine Foods Inc, Mudgee Regional Tourism Inc and Council) have been organised to provide a forum for exchanging ideas and providing information on upcoming events and activities on a regular basis. A number of meetings have been held so far and a key focus area of the group has been a combined effort working towards an exciting new wine and food event.



The focus of marketing is to promote the region as a great place to live, work and conduct business and building communication networks within and outside the region.

8. Marketing

Promote the region as a great place for business

a. Evaluate External Marketing Efforts

A review of current external marketing efforts is a planned activity for Q4. In order to identify the consistency and reach of current communications and promotional activities, local industry organisations and business groups will be asked to provide feedback on whether opportunities exist to combine resources on some projects and conduct more effective marketing campaigns promoting the region in the future.

b. Marketing Local Produce

A new wine and food event to be held in Pymont, Sydney in May 2011, will provide new marketing and promotional opportunities for the region. In December 2010, a group representing the region showcased local wine and food products at a Pymont Chamber of Commerce event with great feedback. This association with Pymont (through the business Chamber and Sydney City Council) will provide increased opportunities to undertake similar direct marketing efforts in the inner Sydney area in the future. This is a market in which the Mudgee region has not had a presence in the past.

